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Attached is more press on what is being said in the Senate on Laos-Vietnam. Goodwin and Maury have copies.

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Black Market Money 500

By LAWRENCE L. KNUTSON

Associated Press Writer

WASHINGTON AP - American commercial pilots are smuggling \$400,000

weekly in checks and dollars from Saigon to black market money

dealers in Bangkok, Thailand, Sen. Abraham Ribicoff, D-Conn., charged

Wednesday.

Ribicoff said also his Senate government operations investigating

subcommittee has information that thousands of dollars from a

U.S.-financed international fund-intended to stabilize the

currency of Laos has turned up in a black market account in the

Manufacturers Hanover Trust Co., New York City.

Ribicoff interrupted testimony by Treasury Department officials

on U.S. attempts to control currency manipulation in Vietnam to

give this information:

Checks amounting to at least \$45,000 from the Foreign Exchanges

Operations Fund for Laos were transmitted to the Prysumeen

Account, identified at the New York bank as a black market conduit

for funds from Vietnam.

The fund, 70 per cent of which is provided by the United States,

was set up in 1964, Ribicoff said, by the United States, the United

Kingdom, Japan, France, and Australia to help stabilize

the kip, the Laotian currency.

"In addition, it is worth noting that another \$320,000 came to

the Prysumeen account from the Bank of Indochina, based in Laos,

from June 28, 1965, through April 25, 1968," Ribicoff said.

Ribicoff's subcommittee has been investigating black market

operations-allegedly bringing in more than \$150 million in

illegal profits annually-through the manipulation of South

Vietnamese piasters, dollars and military payment certificates

issued to U.S. soldiers.

Ribicoff said the Laos fund, which totaled \$19.4 million in 1968, is

managed by Edward F. Fillingham, a British official.

"Fillingham said he was unaware of the significance of the

Prysumeen account and said that under the present charter he

could not prohibit the transfer of funds to an account such as

Prysumeen," Ribicoff said.

The civilian pilots, Ribicoff said, are charged 20 per cent or

\$80,000 by Bangkok money changers for the \$400,000 they carry

weekly.

Comment:

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"A balance of \$320,000 moves overland through Nongkhai to Vientiane, Laos. Currency and checks are turned into the Bank of Indochina. This bank then transfers U.S. dollars wherever directed.

The Bank of Indochina," Ribicoff said, "sends an average of two bundles of currency and checks weekly to New York by air, according to information this subcommittee has."

In 1969, Ribicoff said, the Bank of Indochina received \$19.7 million of which \$9.3 million was in greenbacks and \$10.4 million in checks.

In testimony last fall, witnesses told the subcommittee that the Prysumeen account, now linked by Ribicoff to alleged black market activities in Laos, was set up by the leaders of the lucrative currency racket in Saigon.

These money dealers were identified as a group of businessmen from the Madras area of India. It was charged that they used the account in a complicated series of transactions to increase their illegal profits and transfer funds to other banks all over the world.

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ADD 3 LAOS, WASHINGTON

SEN. GORDON ALLOTT, R-COLO., WHO HAS SPOKEN FOR THE ADMINISTRATION IN THE PAST ON THE LAOTIAN SITUATION, SAID THE WAR IN LAOS "IS AN INTEGRAL PART OF THE ONGOING VIETNAM WAR" AND NOTHING SHOULD BE DONE TO DISCOURAGE LAOS FROM DEFENDING ITSELF AGAINST NORTH VIETNAM.

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NIXON DOCT

ALLOTT SAID U.S. SUPPORT TO LAOS FALLS WITHIN THE BOUNDS OF THE NIXON DOCTRINE, WHICH GIVES THE PRIMARY RESPONSIBILITY FOR THE DEFENSE OF ASIA TO ASIANS THEMSELVES. SOME SENATORS HAVE ARGUED THAT U.S. MILITARY ACTION IN LAOS CONTRAVENES THE NIXON DOCTRINE.

"ACCORDING TO THE NIXON DOCTRINE, AMERICA WILL LEND SUPPORT TO EMBATTLED NATIONS WHICH MAKE A VIGOROUS SELF-DEFENSE EFFORT," ALLOTT SAID. "LAOS IS MAKING SUCH AN EFFORT TO DEFEND ITSELF FROM THE HIGH-POWERED, EXPERIENCED AND WELL-SUPPORTED NORTH VIETNAMESE WAR MACHINE. IT WOULD BE TACTICALLY FOOLISH, UNCONCIOUSLY WRONG AND UTTERLY SELF-DEFEATING IN TERMS OF THE NIXON DOCTRINE, IF WE WERE TO DO ANYTHING TO DISCOURAGE THE LAOTIAN EFFORT AT SELF-DEFENSE."

ALLOTT SAID IT WAS A MISTAKE TO THINK LAOS COULD BE PUT ON THE "BACK BURNER" UNTIL THE VIETNAM WAR IS OVER.

"THE INESCAPABLE FACT IS THAT NORTH VIETNAM'S WAR IN LAOS IS RELATED TO ITS WAR IN SOUTH VIETNAM IN THE WAY GERMANY'S INVASION OF FRANCE WAS RELATED TO ITS INVASION OF NORTH AFRICA IN WORLD WAR II. THAT IS, THEY ARE TWO PARTS OF AN INTEGRATED STRATEGY."

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